

May 19, 1975

SENATOR WARNER: I can ... well if somebody wants it read, otherwise they can read it in the Journal. Mr. President, I move adoption of it. I can explain it then if they want it read. All the purpose of this amendment is to clarify hopefully the words which created the problem to start with. This is what is an express obligation. Those of you who have been here for some time know that we have had disagreements as to the understanding of these words. I understand Mr. Peters, our State Tax Commissioner, wrote letters either last December or early this year suggesting that the Legislature ought to clarify what expressed obligations are for their interpretation. What this bill ... or amendment does is it specifically points out that the incremental increases in homestead exemptions, personal property tax relief, and those specific appropriations for future years are all express obligations which should be taken into account when the Board of Equalization meets in November. Then the second portion would provide that the Board of Equalization, by September, will develop, using rules and regulations of Chapter 84, Article 9, to promulgate further guidelines for express obligations which gives the possibility for public hearing so that there is ample input well ahead of time as to which specific future needs the Board will take into account. Hopefully this amendment will assist them in being able to identify those items. I move its adoption.

PRESIDENT: Senator Orval Keyes.

SENATOR KEYES: Yes, Mr. Speaker. Senator Warner, I think I understand this right. This means like where we have appropriated the Game and Parks Commission say \$2 million to be spent in the next 4 or 5 years that this will be figured in their rate setting?

SENATOR WARNER: Senator Keyes, not all at one time, but they would take it into account in order to provide balanced cash flows through that period of time based upon their projections for the yield from both the sales and income tax.

PRESIDENT: Senator Carsten.

SENATOR CARSTEN: Question of Senator Warner, Mr. President. If he'll yield.

SENATOR WARNER: Certainly.

SENATOR CARSTEN: Senator Warner, this last paragraph of this amendment requires that, if I understand it correctly now, the State Board of Equalization shall submit to the Clerk a statement regarding their actions which is to be circulated to the legislators. Is this correct? Is this to be the basis for which they made their judgement? Is that ...

SENATOR WARNER: Yeah. It would be before the fact, Senator Carsten, that there would be ... The Legislature would know well ahead of time the guidelines that the State Board was trying to use for setting budgets. There could be no argument, I would hope, in the future. At least the argument would be done before the rates are set as to what items were appropriate and inappropriate to include as far as future obligations.